

STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE COMMISSIONER OF COMMERCE

In the Matter of Ronald A. Hall, License  
No. 20309727

FINDINGS OF FACT,  
CONCLUSIONS AND RECOMMENDED  
DECISION

The above-matter came on for a hearing before Administrative Law Judge George A. Beck on July 7, 2005 at 9:30 a.m. at the Office of Administrative Hearings in the City of Minneapolis, Minnesota. The OAH record closed on July 7, 2005.

Christopher M. Kaisershot, Assistant Attorney General, 1200 NCL Tower, 445 Minnesota Street, St. Paul, MN 55101-2130, appeared representing the Department of Commerce. Ronald A. Hall, 12900 Forest Meadow Drive, Minnetonka, MN 55305, appeared representing himself, without the benefit of counsel.

**NOTICE**

This report is a recommendation, not a final decision. The Commissioner of Commerce will make the final decision after a review of the record. The Commissioner may adopt, reject or modify the Findings of Fact, Conclusions, and Recommended Decision. Under Minn. Stat. § 14.61, the final decision of the Commissioner shall not be made until this Report has been made available to the parties to the proceeding for at least ten days. An opportunity must be afforded to each party adversely affected by this Report to file exceptions and present argument to the Commissioner. Parties should contact Glenn Wilson, Commissioner, Minnesota Dept. of Commerce, 85 Seventh Place E., Suite 500, St. Paul, MN 55101 to learn the procedure for filing exceptions or presenting argument.

If the Commissioner fails to issue a final decision within 90 days of the close of the record, this report will constitute the final agency decision under Minn. Stat. § 14.62, subd. 2a. In order to comply with this statute, the Commissioner must then return the record to the Administrative Law Judge within 10 working days to allow the Judge to determine the discipline to be imposed. The record closes upon the filing of exceptions to the report and the presentation of argument to the Commissioner, or upon the expiration of the deadline for doing so. The Commissioner must notify the parties and the Administrative Law Judge of the date on which the record closes.

Under Minn. Stat. § 14.62, subd. 1, the agency is required to serve its final decision upon each party and the Administrative Law Judge by first class mail or as otherwise provided by law.

## **STATEMENT OF ISSUE**

Should disciplinary action be taken against the residential building contractor's license of Ronald A. Hall?

Based upon all of the proceedings herein, the Administrative Law Judge makes the following:

## **FINDINGS OF FACT**

1. Ronald A. Hall has been licensed as a residential building contractor for approximately two and one-half years. His license expired on March 31, 2005 and he did not renew it at that time.

2. In June of 2003 Mr. Hall entered into a contract for remodeling services at the residence of John and Beth Freeman in Wayzata, MN.<sup>[1]</sup> The contract called for a total payment of \$152,000 in six payments.<sup>[2]</sup>

3. The first phase of the remodeling, outdoor framing, went satisfactorily and was completed on approximately October 1, 2003.<sup>[3]</sup>

4. The indoor remodeling did not go as well and was subject to delays, some of which were caused by the Freemans. On December 19, 2003 Mr. Hall presented the Freemans with a bill for payment that he claimed were due under the contract. The Freemans told Mr. Hall that he would not be paid until he produced lien waivers and complied with the terms of the contract. Mr. Hall did not produce the lien waivers and left the job. Mr. Hall maintains that Mr. Freeman terminated his services. Mr. Freeman denies that.

5. In the course of the interior remodeling Mr. Hall purchased bathroom cabinets from Home Valu, approximately a week and one-half before Christmas 2003, and installed them at the Freemans' residence. To date the bill for the bathroom cabinets has not been paid.

6. Home Valu did not obtain a lien against the Freeman residence but sued Mr. Hall in Hennepin County District Court and obtained a default judgment against him in the amount of \$3,647.12 on July 9, 2004.<sup>[4]</sup> Mr. Hall did not answer the complaint from Home Valu. He sought information about how to file a cross-claim against the Freemans but did not proceed to answer the complaint or file a cross-claim. He has not attempted to vacate the default judgment.

7. The Freeman's filed a complaint against Mr. Hall with the Better Business Bureau in early 2004. Mr. Hall sent a detailed response in a letter dated February 12,

2004.<sup>[5]</sup> The Freemans were not satisfied with his response and so advised the Better Business Bureau in a letter dated March 13, 2004.<sup>[6]</sup> On March 31, 2004, the Better Business Bureau closed the complaint as “customer dissatisfied.”<sup>[7]</sup>

8. By a letter dated February 26, 2004 the Department of Commerce advised Mr. Hall that the Freemans had filed a complaint with the Department and asked him to file a list of subcontractors and suppliers, contract information, proof of payment for valid lien waivers and copies of permits.<sup>[8]</sup>

9. Mr. Hall made a detailed filing with the Department on March 12, 2004, including the documents requested.

10. By letter dated May 19, 2004 the Department advised Mr. Hall that they were concluding their investigation and were closing the Department’s file. They did warn Mr. Hall, however, about failing to use written change orders and offering plumbing services. The letter was a formal warning about future violations.<sup>[9]</sup>

11. After the Home Valu judgment was entered the Department sent Mr. Hall a letter advising him that Home Valu Interiors had filed a complaint against him due to a failure to pay the judgment against him.<sup>[10]</sup>

12. Mr. Hall replied in a letter dated October 17, 2004 that he had not satisfied the judgment and stated that he did not have the financial means to pay it without payment from the Freemans.<sup>[11]</sup> As of the date of the hearing in this matter the judgment remained unsatisfied.

Based upon the foregoing Findings of Fact, the Administrative Law Judge makes the following:

## **CONCLUSIONS**

1. The Commissioner of Commerce and the Administrative Law Judge have jurisdiction in this matter under Minn. Stat. § 45.027, 326.91, and 14.50.

2. The Respondent was given timely and proper notice of the hearing in this matter.

3. The Department has complied with all substantive and procedural requirements of law.

4. The Department has the burden of proof to show by a preponderance of the evidence that the alleged violations occurred.<sup>[12]</sup>

5. The Commissioner of Commerce has authority to revoke a license and impose civil penalties against a licensee who has been shown to be incompetent, untrustworthy, or financially irresponsible.<sup>[13]</sup>

6. The Department has proved by a preponderance of the evidence that Mr. Hall is financially irresponsible due to his failure to pay a judgment against him for materials used in the Freeman's remodeling project.

Based upon the foregoing Conclusions, the Administrative Law Judge makes the following:

### **RECOMMENDATION**

IT IS HEREBY RECOMMENDED: That disciplinary action be taken against the residential contractor's license of Ronald A. Hall.

Dated this 18th day of July 2005.

s/George A. Beck

GEORGE A. BECK

Administrative Law Judge

Reported: Tape-Recorded  
One Tape, No Transcript Prepared.

### **MEMORANDUM**

Mr. Hall acknowledges that he has failed to pay the judgment entered against him by Home Valu for the bathroom cabinets that he purchased and installed in the Freemans' home. He argues that he is unable to pay the judgment until the Freemans pay him what he believes is the balance owed on his remodeling contract with them. Based upon this record it is not possible to determine who is responsible in the dispute between Mr. Hall and the Freemans. Nonetheless, Mr. Hall is obligated to pay the judgment. He has taken no steps to attempt to recover any money from the Freemans which he alleges is owing under the contract. He did not answer or attempt to enter a cross-claim when sued by Home Valu.

This behavior comes within the financial irresponsibility prohibition in the statute and is subject to discipline. The Commissioner may consider the circumstances in this dispute in considering whether or not to impose civil penalties.

**G.A.B.**

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- <sup>[1]</sup> Ex. 1.  
<sup>[2]</sup> Ex. 7.  
<sup>[3]</sup> Ex. 1.  
<sup>[4]</sup> Ex. A.  
<sup>[5]</sup> Ex. 7, pp. 3-7.  
<sup>[6]</sup> Ex. 3.  
<sup>[7]</sup> Ex. 4.  
<sup>[8]</sup> Ex. 6.  
<sup>[9]</sup> Ex. 5.  
<sup>[10]</sup> Ex. B.  
<sup>[11]</sup> Ex. D.  
<sup>[12]</sup> Minn. R. pt. 1400.7300, subp. 5.  
<sup>[13]</sup> Minn. Stat. § 176.326.91, subd. 1(6).